

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D. C. 20268-0001

COMPLAINT OF TIME WARNER INC. ET AL.
CONCERNING PERIODICALS RATES

Docket No. C2004-1

RESPONSE OF TIME WARNER INC. ET AL. WITNESS
STRALBERG TO ABM/TW ET AL.-T1-3,
REDIRECTED FROM WITNESS MITCHELL
(May 26, 2004)

Time Warner Inc., Condé Nast Publications, a Division of Advance Magazine Publishers Inc., Newsweek, Inc., The Reader's Digest Association, Inc., and TV Guide Magazine Group, Inc. (collectively, Time Warner Inc. et al.) hereby provide the response of witness Stralberg (TW et al.-T-2) to American Business Media interrogatory ABM/TW et al.-T1-3, filed April 28, 2004, redirected from witness Mitchell.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

s/

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**RESPONSE OF WITNESS STRALBERG (TW ET AL.-T-2) TO ABM/TW ET AL.-T1-3,
REDIRECTED FROM WITNESS MITCHELL**

ABM/TW et al.-T1-3. For each Periodical published by each of the five complainants and by every parent, subsidiary or affiliate of each complainant, please provide the following information for calendar year 2003 (or any other 12- month period since the present postal rates took effect), if the data are available for a 12-month period, or for a single, actual, representative issue of each Periodical if annual data are not available: (a) title, (b) frequency, (c) average weight, (d) percentage mailed to zone 3 or higher (e) average editorial percentage, (f) percentage palletized (including co-palletization), (g) percentage co-palletized or co-mailed, (h) average weight per pallet, (i) average pieces per sack, (j) average pieces per bundle (k) average per copy postage and (l) average per copy postage at the "Proposed Rate Schedule" found at page 43 of Mr. Mitchell's testimony.

RESPONSE:

Explanatory Note

Some of the information sought in this interrogatory is not currently generated by the software used to prepare mailings, nor is it currently required to be provided on mailing statements (form 3541). Although it is possible to extract the requested information from mail.dat files routinely generated for each mailing, to provide all the information requested for all publications mailed by complainants under outside county rates for an entire year would require an unreasonably large effort, probably consuming between six and twelve months of analyst time. A good-faith effort has been made to provide the information for a single recent issue of each publication, based on mail.dat files provided to me by each complainant.

Providing the requested information presents a particular problem in the case of co-mailed publications, because co-mailing entails shared use of bundles, sacks and pallets by different publications. To determine the postage each publication would be responsible for under the proposed rates would require determining what portion of each bundle, sack and pallet is used by that publication. The software for these types

of calculations does not yet appear to exist, although it would quickly be developed if the proposed rates were approved and implemented. Additionally, in cases of co-mailings that are shared with publications not owned by the complainants, the complainants do not possess information at the requisite level of detail. For some co-mailings made up only of publications owned by the complainants, I have been able to provide the requested information for the co-mailed group as a whole but not for the individual titles.

Most of the complainants' monthly publications produce a main mailing and several smaller supplemental mailings, each of which is defined by a separate mail.dat file. The information presented below includes analyses based on the "main file" mail.dat of the various publications, as well as analyses of selected supplemental mailings, where available, for the publications that make most extensive use of such mailings. Supplemental files are not an issue for any of the weekly or daily publications.

It should be noted that were the proposed rates were to go into effect, mailing practices for many of the complainants' publications would also change. For example, there would likely be fewer small supplemental mailings, reduced use of sacks and more dropshipping. However, the following estimates of postage under the proposed rates are based on current mailing practices and do not reflect expected changes in behavior.

Following is a summary description of the information obtained from each complainant, after which answers responsive to each subpart of the interrogatory are presented in a series of tables, organized by complainant.

Summary Description Of Information Obtained From Each Complainant

Time Warner Periodicals

Table TW-1 contains answers responsive to each interrogatory subpart for each of Time Inc.'s weekly publications, including Time for Kids. Table TW-2 contains corresponding answers for Time Warner's six Transworld publications. Tables TW-3, TW-4 and TW-5 contain corresponding answers for 25 Time Inc. monthly (or biweekly in the case of Fortune) publications. Because Parenting, Health and Baby Talk are co-mailed with many other magazines not owned by Time Inc., Table TW-5 provides only partial responses for those titles.

The information in Tables TW-1 through TW-5 was obtained from analysis of mail.dat files for the main mailing of a given issue of each Periodical. Most of the monthly publications also use one or several supplemental mailings with lower levels of presort, less dropshipping and a proportionally higher use of sacks than the main mailings. Table TW-6 contains responses for combinations of supplemental mailings for some of the titles that make extensive use of such mailings. As indicated in the table, the number of supplemental mailings for a given publication varied from three to eight. Their combined volume varied from around 25% of the total for a given publication to under 1%.

Condé Nast Periodicals

Table CN-1 presents answers responsive to each interrogatory subpart for a total of 16 publications, including nine publications that are prepared and mailed individually and two groups of co-mailed magazines (the first consisting of Allure, Gourmet, GQ, Self and Vogue, and the second of House and Garden and Golf Digest), for which the estimated postage under proposed rates can be provided for the co-mailed group as a whole but not for the individual titles.

Table CN-2 contains similar information for ten titles from Fairchild Publications, owned by Condé Nast's parent company, including a group of four weekly publications that are

co-mailed together (DNR, Footware News, Supermarket News and Home Furnishing News), for which, again, estimates are provided only for the co-mailing as a whole. The total co-mailed volume in this case is 73,262 pieces. The six other titles include five monthly and one daily publication.

Table CN-3 contains analyses of samples of supplemental mailings for which Condé Nast provided me with mail.dat files. It is my understanding that a typical issue of these monthly magazines in fact may have several supplemental mailings.

Reader's Digest Periodicals

Table RD-1 presents the result of an analysis of various main file mail.dat selections modified by Reader's Digest personnel to account for the various and numerous supplemental files. It includes answers to the interrogatory subparts for the Reader's Digest, Selecciones, and 10 titles from Reiman Publications. It also includes three publications that are co-mailed with other publications, (Family Handyman, American Woodworker and RD Large Type) and for which it was impossible to estimate the postage under the proposed rates. There are two Reiman titles for which mail.dat files were not available.

Newsweek Periodicals

Table NW-1 contains the result of analyzing mail.dat files for Newsweek and Budget Travel.

TV Guide

Table TV-1 contains the result of analyzing mail.dat files for TV Guide.

Table TW-1: Summary Data For Time Inc. Weekly Magazines					
Title	Time	Sports Illustrated	People	Entertainment Weekly	Time for Kids
Frequency	51	51	51	49	26
Lb/Piece	0.32	0.39	0.36	0.27	0.85
Zones 3-8	4.14%	1.53%	8.69%	4.81%	9.92%
Editorial Content	51.98%	56.10%	53.19%	60.74%	99.36%
Co-palletized or co-mailed	No	No	No	No	No
Palletized	98.15%	99.14%	97.02%	98.73%	91.07%
Lb/Pallet (Excluding tare weight)	713.02	833.13	860.11	775.71	442.96
Pieces/sack	12.01	25.82	14.67	26.29	10.14
Pieces/bundle	15.99	14.36	13.07	11.18	1.04
Postage(cents)/Piece (current rates)	17.67	18.73	19.12	17.20	29.51
Postage(cents)/Piece (proposed rates)	15.30	15.40	16.76	15.11	37.49

Table TW-2: Summary Data For Transworld Publications						
Title	BMX	Motocross	Ride BMX	Skateboarding	Snowboarding	Surf
Frequency	12	12	9	12	8	12
Lb/Piece	0.49	0.76	0.57	1.15	1.03	0.65
Zones 3-8	91.59%	94.39%	90.73%	97.18%	95.72%	99.50%
Editorial Content	52.00%	69.00%	46.00%	45.00%	50.00%	50.00%
Co-palletized or co-mailed	No	No	No	No	No	No
Palletized	4.07%	70.83%	14.59%	87.55%	81.03%	61.47%
Lb/Pallet (Excluding tare weight)	340.90	364.85	307.69	659.22	640.95	406.77
Pieces/sack	39.30	31.41	34.87	17.42	20.40	32.59
Pieces/bundle	14.29	12.41	10.15	9.28	9.50	10.90
Postage(cents)/Piece (current rates)	38.54	41.26	42.05	58.38	53.06	44.07
Postage(cents)/Piece (proposed rates)	40.54	46.40	44.65	60.70	56.59	48.06

Table TW-3: Summary Data For Time Inc. Monthly Publications										
Title	Coastal Living	Cooking Light	Field & Stream	Fortune	Golf	In Style	Money	Outdoor Life	People en Español	Popular Science
Frequency	8	11	11	26	12	13	13	9	11	12
Lb/Piece	1.14	0.76	0.50	0.60	0.98	2.13	0.53	0.43	0.52	0.57
Zones 3-8	12.42%	6.13%	4.07%	9.05%	2.88%	8.41%	5.41%	11.96%	10.89%	6.69%
Editorial Content	45.32%	49.34%	44.81%	37.20%	49.10%	40.57%	55.78%	53.74%	53.13%	48.19%
Co-palletized or co-mailed	No	No	No	No	No	No	No	No	No	No
Palletized	91.05%	96.20%	98.22%	93.40%	98.56%	97.40%	96.14%	90.00%	94.04%	94.78%
Lb/Pallet (Excluding tare weight)	554	1,023	1,012	871	1,002	1,079	975	490	585	666
Pieces/sack	17.88	17.73	28.76	12.94	28.74	16.42	16.04	29.73	29.65	33.85
Pieces/bundle	10.16	8.75	12.45	10.88	10.54	6.37	10.74	14.31	12.01	9.41
Postage(cents)/Piece (current rates)	41.61	30.01	25.73	28.59	33.77	61.50	22.96	26.15	25.52	25.85
Postage(cents)/Piece (proposed rates)	37.58	26.12	22.62	26.80	27.55	53.37	19.81	24.37	23.17	23.24

Table TW-4: Summary Data For Time Inc. Monthly Publications										
Title	Progressive Farmer	Real Simple	Ski	Skiing	SI for Kids	Teen People	This Old House	Sunset	Business 2.0	Yachting
Frequency	14	10	8	7	12	10	10	12	11	12
Lb/Piece	0.33	1.19	0.37	0.32	0.33	0.61	0.73	0.73	0.55	1.06
Zones 3-8	5.50%	6.97%	16.44%	17.15%	22.73%	5.06%	5.28%	3.95%	1.86%	22.28%
Editorial Content	45.39%	48.03%	58.17%	63.01%	82.79%	51.05%	41.27%	42.83%	53.44%	28.00%
Co-palletized or co-mailed	No	No	No	No	No	No	No	No	No	No
Palletized	95.80%	96.60%	82.96%	83.51%	94.91%	96.04%	97.75%	97.22%	96.33%	80.85%
Lb/Pallet (Excluding tare weight)	778	715	673	695	786	855	1,198	1,054	680	534
Pieces/sack	22.44	17.15	30.41	44.55	20.69	38.42	29.23	36.07	26.07	20.04
Pieces/bundle	13.46	8.26	15.77	15.25	11.68	11.07	10.46	13.34	13.25	7.88
Postage(cents)/Piece (current rates)	20.44	39.01	24.99	22.50	18.73	26.58	30.71	28.21	26.26	45.75
Postage(cents)/Piece (proposed rates)	18.41	33.35	23.42	20.71	17.28	23.01	26.60	23.40	22.79	44.45

Table TW-5: Summary Data For Time Inc. Monthly Publications					
Title	Saltwater Sportsman	Motor Boating	Parenting	Baby Talk	Health
Frequency	12	12	11	10	10
Lb/Piece	0.62	0.57	0.86	0.48	0.71
Zones 3-8	17.15%	25.20%	3.62%	3.67%	3.11%
Editorial Content	33.82%	40.20%	48.21%	42.24%	49.65%
Co-palletized or co-mailed	No	No	co-mail	co-mail	co-mail
Palletized	83.23%	73.94%	98.05%	98.17%	98.19%
Lb/Pallet (Excluding tare weight)	495	415	NA	NA	NA
Pieces/sack	33.52	35.14	NA	NA	NA
Pieces/bundle	8.58	12.85	NA	NA	NA
Postage(cents)/Piece (current rates)	33.13	33.06	30.40	22.52	27.64
Postage(cents)/Piece (proposed rates)	32.06	31.88	NA	NA	NA

Table TW-6: Summary Data For Supplemental Mailings Of Time Inc. Monthly Publications									
Title	Cooking Light	Southern Accents	Coastal Living	In Style	Money	Real Simple	SI for Kids	Southern Living	Teen People
Number Of Supplemental Mailings (One Issue)	3	7	8	4	3	3	3	3	3
Frequency	11	6	8	13	12	10	12	13	10
Lb/Piece	1.02	1.05	0.94	2.14	0.47	1.36	0.25	0.90	0.57
Zones 3-8	98.14%	94.85%	98.75%	93.59%	98.35%	98.15%	95.63%	93.31%	93.43%
Editorial Content	46.27%	48.37%	44.28%	42.28%	50.04%	49.57%	71.90%	45.76%	52.26%
Co-palletized or co- mailed	No	No	No	No	No	No	No	No	No
Palletized	85.99%	13.12%	41.19%	61.15%	0.00%	1.93%	0.00%	60.48%	0.00%
Lb/Pallet (Excluding tare weight)	613.38	313.35	386.07	701.81	0.00	0.00	0.00	560.23	0.00
Pieces/sack	21.57	12.19	26.24	11.65	14.32	14.31	14.03	24.66	39.95
Pieces/bundle	7.44	10.83	12.16	4.48	8.85	4.37	10.59	11.80	8.05
Postage(cents)/Piece (current rates)	50.77	53.19	53.33	90.35	38.19	74.79	33.86	47.69	48.56
Postage(cents)/Piece (proposed rates)	52.87	67.62	57.53	101.78	54.61	85.77	49.81	47.73	46.56

Table CN-1: Summary Data For Condé Nast Publications											
Title	Allure, Gourmet, GQ, Self, Vogue	Bon Appetit	The New Yorker	Glamour	Vanity Fair	Modern Bride	Brides	Traveler	Teen Vogue	House & Garden, Golf Digest	Golf World
Frequency	12	12	52	12	12	12	12	12	12	12	46
Lb/Piece	1.22	1.15	0.43	1.23	1.84	2.06	1.65	1.00	0.58	0.86	0.24
Zones 3-8	1.56%	9.18%	25.15%	4.36%	4.74%	14.76%	8.02%	6.27%	5.09%	3.78%	42.81 %
Editorial Content	47.35%	46.71%	62.28%	48.00%	44.50%	28.00%	24.00%	46.50%	50.00%	50.10%	63.85 %
Co-palletized or co-mailed	Co-mail	No	No	No	No	No	No	No	No	Co-mail	No
Palletized	99.97%	99.06%	97.13%	99.73%	98.95%	98.40%	97.63%	98.76%	98.46%	99.50%	68.15 %
Lb/Pallet (Excluding tare weight)	1,110	1,180	916	1,438	1,974	1,079	897	1,288	900	1,311	386
Pieces/sack	18.96	17.47	16.99	17.77	20.85	19.29	18.87	21.78	31.23	16.40	47.42
Pieces/bundle	10.22	9.67	15.15	9.28	10.30	6.73	8.05	10.93	14.97	11.37	17.81
Postage(cents)/ Piece (current rates)	35.96	36.86	21.82	38.34	51.51	65.44	55.02	34.90	29.17	30.96	22.80
Postage(cents)/ Piece (proposed rates)	27.55	29.92	18.69	30.36	40.63	60.69	49.07	28.70	25.56	25.02	22.40

Table CN-2: Summary Data For Fairchild Publications							
Title	DNR, Footware News, Supermarket News, Home Furnishing News	Details	Children's Business	Executive Technology	In Furniture	W Magazine	Women's Wear Daily
Frequency	52	10	12	12	16	12	260
Lb/Piece	0.41	0.85	0.41	0.64	0.41	1.16	0.15
Zones 3-8	20.01%	8.84%	77.84%	83.76%	87.11%	1.91%	21.08%
Editorial Content	57.50%	50.00%	54.00%	56.80%	55.00%	56.69%	67.00%
Co-palletized or co-mailed	Co-mail	No	No	No	No	No	No
Palletized	65.62%	97.58%	5.26%	36.96%	0.00%	98.49%	0.00%
Lb/Pallet (Excluding tare weight)	343.48	961.36	259.71	378.81	0.00	1202.13	0.00
Pieces/sack	44.18	29.94	42.60	41.76	39.21	20.59	34.37
Pieces/bundle	10.78	13.88	11.59	9.56	11.29	11.22	11.56
Postage(cents)/ Piece (current rates)	27.70	34.47	34.78	38.97	34.65	38.44	24.67
Postage(cents)/ Piece (proposed rates)	27.51	29.31	37.16	41.34	37.67	30.23	25.80

Table CN-3: Sample Supplemental Mailings Of Condé Nast Publications							
Title	Bon Appetit	Brides	Glamour	House & Garden	Teen Vogue	Vanity Fair	Golf Digest
Frequency	12	12	12	12	12	12	12
Lb/Piece	0.80	1.64	1.21	0.70	0.57	1.16	1.41
Zones 3-8	97.05%	98.27%	92.90%	97.77%	97.69%	97.44%	81.53%
Editorial Content	47.00%	24.00%	48.00%	50.10%	50.00%	44.50%	44.64%
Co-palletized or co-mailed	No	No	No	No	No	No	No
Palletized	64.22%	12.89%	84.15%	68.96%	10.41%	59.59%	32.43%
Lb/Pallet (Excluding tare weight)	401.41	311.68	471.55	415.29	413.45	434.85	409.72
Pieces/sack	33.81	18.52	26.54	36.00	29.62	24.91	25.07
Pieces/bundle	11.52	7.97	9.76	12.11	12.49	10.20	6.83
Postage(cents)/Piece (current rates)	46.72	84.40	57.77	42.28	41.30	59.77	61.52
Postage(cents)/Piece (proposed rates)	49.72	91.67	60.61	44.43	45.51	64.04	64.14

Table RD-1:

Reader's Digest Association, Inc.
Pleasantville, NY 10570

Title	Reader's Digest	Family Handyman	American Woodworker	RD Large Type	Selecciones	Taste of Home	Birds & Blooms	Quick Cooking	Country	Country Woman	Light & Tasty	Reminisce	Reminisce Extra	Crafting Traditions	Country Discoveries	Farm & Ranch Living	Country Extra
Frequency	12	10	7	12	12	6	6	6	6	6	6	6	6	6	6	6	6
Lbs. / Piece	.3732	.4257	.4146	.6453	.2652	.4502	.4260	.4391	.4004	.4174	.4256	.4040	.3810	.3938	.3909	.3858	.3859
% Mailed to zone 3 or higher	16%	72%	87%	62%	87%	13%	22%	18%	26%	17%	26%	44%	62%	95%	91%	45%	39%
Avg. Edit %	64%	54%	54%	91%	74%	81%	84%	81%	90%	86%	83%	89%	93%	93%	90%	92%	93%
% Palletized	92%	65%	23%	83%	80%	97%	85%	81%	90%	86%	88%	84%	89%	84%	94%	81%	90%
% Co-palletized	1%	15%	11%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Avg. Lbs. / Pallet	1,070	743	445	905	725	864	940	837	701	696	748	397	447	672	509	510	646
Avg. Pieces/Sack	50	53	52	42	36	120	130	130	140	126	129	141	151	130	146	151	156
Avg. Pieces/Bundle	9	21	20	10	10	27	29	28	32	30	30	33	34	43	33	35	36
Postal \$/Copy – current	\$0.20	\$0.30	\$0.34	\$0.26	\$0.22	\$0.30	\$0.26	\$0.26	\$0.25	\$0.27	\$0.28	\$0.26	\$0.26	\$0.28	\$0.27	\$0.26	\$0.25
Postal \$/Copy - proposed	\$0.17	N/A	N/A	N/A	\$0.21	\$0.26	\$0.21	\$0.23	\$0.23	\$0.25	\$0.25	\$0.24	\$0.25	\$0.27	\$0.25	N/C	N/C
Time Frame	C'03	F'03	F'03	F'03	C'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03	F'03

N/C – Not Calculated

N/A – Non-applicable due to co-mailing of titles

Table NW-1: Summary Data for Newsweek		
Title	Newsweek	Budget Travel
Frequency	51	10
Lb/Piece	0.31	0.58
Zones 3-8	5.14%	9.59%
Editorial Content	59.48%	45.11%
Co-palletized or co-mailed	No	No
Palletized	99.33%	90.22%
Lb/Pallet (Excluding tare weight)	865.60	848.14
Pieces/sack	28.66	39.60
Pieces/bundle	14.25	12.79
Postage(cents)/Piece (current rates)	17.44	29.48
Postage(cents)/Piece (proposed rates)	14.51	26.59

Table TV-1: TV Guide Summary Data (All Plants)	
Frequency	52
Lb/Piece	0.38
Zones 3-8	1.24%
Editorial Content	77.82%
Co-palletized or co-mailed	No
Palletized	98.79%
Lb/Pallet (Excluding tare weight)	851.97
Pieces/sack	18.21
Pieces/bundle	17.86
Postage(cents)/Piece (current rates)	16.54
Postage(cents)/Piece (proposed rates)	12.39